



NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of The Hub Power Company Limited (the "Company") will be held on Friday, June 22, 2018 at 10.30 am at Karachi, Marriott Hotel, Abdullah Haroon Road, Karachi to transact the following business:

SPECIAL BUSINESS

Special Resolutions:

1. Approval for execution of Sponsor Support Agreement for 330MW mine-mouth Coal Power Plant at Thar.

To consider and if thought appropriate, to pass with or without modification, the following resolutions as special resolutions:

a. Investment in Thar Energy Limited ('TEL')

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to make "investments" in Thar Energy Limited ('TEL') up to an amount not exceeding USD 78 million (or PKR equivalent) by way of a subscription of shares at the rate of Rs. 10 per share plus premium, if any, finalized by the Board of TEL. Such investment shall be for a period up till December 2022.

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to take all necessary actions to make the above investment and to acquire the shares of TEL."

b. Equity Standby Letter of Credit (SBLC)

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to arrange and provide a Standby Letter of Credit to the Lenders of TEL or TEL to cover the equity investment of (and up to an amount not exceeding) USD 78 million (or PKR equivalent) to guarantee the subscription of equity. Such SBLC shall be for a period up till December 2022.

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to negotiate and procure the Standby Letter of Credit from banks/ financial institution(s); provide security on such terms and conditions as may be deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) for the issuance of Standby Letter of Credit and for the said purpose do or cause to do all acts, deeds and things that may be necessary or required in connection therewith and to negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders, including any amendments thereto, or required by law."

c. Working Capital Undertaking

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to undertake to the Lenders of TEL and to arrange and/or provide working capital financing to TEL equivalent to an aggregate amount of US\$ 36 million. Such 'investment' shall be for a period up till December 2032.

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to negotiate and procure the Working Capital Financing from banks/ financial institution(s) (including Islamic financing institutions), if applicable; and provide security on such terms and conditions as may be deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) for the provision of the Working Capital Financing and for the said purpose negotiate and execute agreements, security documents, confirmations,

notices, filings and certificates as may be agreed with the lenders including any amendments thereto, or required by law."

d. Assignment of Equity Subordinated Debt

RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to assign its rights in respect of any investment made in TEL by way of Subordinated loan (which loan is to be treated as subordinated to the debt of the Lenders of TEL), in favour of the Lenders of TEL". Such 'investment' shall be for a period up till December 2032.

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to assign any loan given to TEL (which loan is to be treated as subordinated to the debt of the lenders of TEL) on such terms and conditions as may be deemed appropriate for the assignment of such debt to TEL, and for the said purpose do or cause to do all acts, deeds and things that may be necessary or required in connection therewith and to negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders including any amendments thereto, or required by law."

e. Share Pledge Agreement

RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to pledge its shares (if any) in TEL with the Lenders of TEL, whether such shares are acquired directly by way of subscription or otherwise. Such 'investment' shall be for a period up till December 2032.

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary, acting jointly or severally, be and are hereby authorized to execute the Share Pledge Agreement including all necessary documentation related thereto and for the said purpose do or cause to do all acts, deeds and things that may be necessary or required in connection therewith, as may be deemed appropriate and as mutually agreed with the Lenders of TEL including any amendments thereto, or as required by law."

f. Sponsor Support Contribution LC

RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to provide a guarantee (in the form of standby letter of credit) for the benefit of TEL and Intercreditor Agent for an aggregate amount of US\$ 31 million (or PKR equivalent) to guarantee an investment in the form of equity or subordinated debt to cover (a) cost overrun, (b) any obligation under financing documents prior to Project Completion Date ("PCD"), and (c) Commercial Operation Date ("COD") undertaking. Such 'investment' shall be for a period up till the earlier of Project Completion Date or December 2025.

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to negotiate and procure the Standby Letter of Credit from banks/ financial institution(s); provide security on such terms and conditions as may be deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) for the issuance of Standby Letter of Credit and for the said purpose do or cause to do all acts, deeds and things that may be necessary or required in connection therewith and to negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders including any amendments thereto, or required by law."

g. Initial DSRA and DSRA LC

RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to authorize the Company to issue a sponsor standby letter of credit to cover for the Initial Debt Service Reserve Account Shortfall, of an amount estimated not

to exceed USD 20 million (or PKR equivalent), but which may be higher. Such SBLC shall be for a period up till the earlier of first payment of the installment of the loan or December 2023.

FURTHER RESOLVED THAT the Company is hereby authorized to issue a sponsor standby letter of credit to cover for the Debt Service Reserve Account, of an amount estimated not to exceed USD 20 million (or PKR equivalent), but which could be higher as detailed in the explanation. Such sponsor obligation shall be for a period earlier of the tenure of the project loan or December 2032.

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to negotiate and procure the Standby Letter of Credit from banks/ financial institution(s); provide security on such terms and conditions as may be deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) for the issuance of Standby Letter of Credit and for the said purpose negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders, including any amendments thereto, or required by law."

h. Excess Debt Support

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to authorize the Company to provide contractual commitments up to USD 22 million (or PKR equivalent) plus unpaid markup to Lenders for the purpose of TEL taking excess debt, which is over and above the cost approved by NEPRA. Such sponsor obligation shall be for a period earlier of the tenure of the project loan or December 2032.

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to negotiate and finalize finance documents containing certain commitments in the form reasonably required by Lenders, to provide excess debt support to TEL with banks / financial institution(s); provide security on such terms and conditions as may be deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) and for the said purpose negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the Lenders, including any amendments thereto, or required by law."

i. TEL Put Option

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to participate in the Put Option / Commercial Risk Guarantee ("Put Option / CRG") to be provided by local banks and financial institutions (including Habib Bank Limited) ("Put Option / CRG Financiers") to the foreign lenders and contributing payment of a sum not exceeding USD 15 million, ("Put Option / CG Contribution Amount") under the same as primary obligor in accordance with the terms of the Put Option / CRG Agreement. Such sponsor obligation shall be valid till December 2032.

FURTHER RESOLVED THAT the Company be and is hereby authorized to provide sponsor support to the Put Option / CRG Financiers for various exposures being assumed by the Put Option / CRG Financiers in respect of the Put Option / CRG to cover any shortfall that TEL is unable to provide to the Put Option / CRG Financiers (which includes any foreign exchange risk and mark-up / interest) up to the extent of USD 10 million, or such other amount as may be agreed with the Put Option / CRG Financiers from time to time ("Put Option / CRG Support Amount"). Such sponsor obligation shall be valid till December 2032.

FURTHER RESOLVED THAT the Company is authorized to create a first ranking pari passu charge and/or mortgage over assets or such other alternate security as the lenders may reasonably require from time to time in favour of Put Option / CRG Financiers for the Put Option / CRG Support Amount and Put Option / CRG Contribution Amount with such margin and on such terms as may be deemed appropriate by the Authorized Persons (defined below).

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary ("Authorized Persons"), acting jointly or severally are authorized to negotiate and finalize the terms of the Put Option / CRG and to execute all necessary documents and agreements in relation to the same including but not limited to the security, sponsor support and other related documents and do all other matters incidental thereto, and carry out any other act or step which may be ancillary and / or incidental to do the above and necessary, including any amendments to the Amended and Restated Tripartite Amendment Agreement dated January 12 2018, to fully achieve the object of the aforesaid resolutions."

j. Parent Company Guarantee for Hub Power Services Limited (HPSL) to TEL

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to provide a contractual commitment and a parent company guarantee to TEL guaranteeing the due and punctual performance of obligations by HPSL pursuant to the terms of the O&M Agreement. Such sponsor obligation shall be for a period the earlier of the tenure of the project loan or December 2032.

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to negotiate and finalize terms of the contractual commitment and parent company guarantee containing certain commitments in the form reasonably required by Lenders, to TEL and for the said purpose negotiate and execute such documents, corporate guarantees, instruments, and confirmations as may be agreed with the Lenders and TEL, including any amendments thereto, or required by law."

2. Investment in Sindh Engro Coal Mining Company Limited ('SECMC')

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to the Company as an investor in Sindh Engro Coal Mining Company Limited (SECMC) be and is hereby authorised to increase the amount for Sponsor Support Guarantee to cover for cost overrun up to USD 5 million agreed with Lenders of SECMC and provide funding either by way of subscription of SECMC shares or by way of subordinated loan. Such Sponsor obligation shall be valid till August 2021.

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary, acting jointly or severally are authorized to negotiate and execute any amendments to the Sponsors Support Agreement or any other agreements, contracts, and / or security documents, necessary for the or in relation to or in respect of the various phases of the project and take any actions necessary under or in respect thereof."

3. Increase in Authorized Share Capital

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded for the authorized share capital of the Company to be increased from Rs. 12,000,000,000/- (divided into 1,200,000,000 ordinary shares of Rs. 10/- each) to Rs. 17,000,000,000/- divided into 1,700,000,000 ordinary shares of Rs. 10/- each in accordance with the provisions of the Companies Act, 2017.

FURTHER RESOLVED THAT the Chief Executive, Chief Financial Officer and the Company Secretary be and hereby jointly or severally authorized to issue, execute and file letters, forms, petitions and applications with the Securities and Exchange Commission of Pakistan and other concerned authorities to ensure compliance of the provisions of the Companies Act, 2017 and PSX Listing Regulations.

RESOLVED THAT the authorized share capital of the Company be increased from Rs. 12,000,000,000/- to Rs. 17,000,000,000/- divided into 1,700,000,000 ordinary shares of Rs 10/- each.

FURTHER RESOLVED THAT the Memorandum of Association of the Company be altered by deleting Clause V and replacing the same with the following clause:

"V. The Authorized Share Capital of the Company is Rs. 17,000,000,000/- (Rupees Seventeen Billion) divided into 1,700,000,000 (Seventeen Hundred Million) Ordinary Shares of Rs 10/- (Ten) each with the rights, privileges and conditions attaching thereto provided by the regulations of the Company for the time being with power



to increase and reduce the capital of the Company and to sub divide the ordinary shares in the capital for the time being into several classes."

FURTHER RESOLVED THAT the Articles of Association of the Company be altered by deleting Article 4 and replacing the same with the following:

"4. AUTHORISED SHARE CAPITAL

The authorized share capital of the Company is Rs. 17,000,000,000/- (Rupees Seventeen Billion) divided into 1,700,000,000 (Seventeen Hundred Million) Ordinary Shares of Rs 10 (Ten) each."

FURTHER RESOLVED THAT with regard to the aforesaid, the requirements under the Companies Act, 2017 be met.

Shaharyar Nashat
Company Secretary

Dated: 21 May, 2018
Karachi

Notes:

The Share Transfer Books of the Company will remain closed from Friday June 15, 2018 to Friday June 22, 2018 (both days included).

- (i) A member entitled to attend the meeting may appoint a proxy in writing to attend the meeting on the member's behalf. A Proxy need not be a member of the Company.
- (ii) Duly completed form of proxy must be deposited with the Company Secretary at the Head Office of the Company no later than 48 hours before the time appointed for the meeting.
- (iii) Members can also avail video conference facility at Lahore and Islamabad. In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the Extraordinary General Meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the Extraordinary General Meeting along with complete information necessary to enable them to access the facility.

I/We, _____ of _____ being a member of The Hub Power Company Limited, holder of _____ Ordinary Shares as per Register Folio No. _____ hereby opt for video conference facility at

Signature of Member

CDC account holders will further have to follow the undermentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A For attending the Meeting:

- (i) In case of individuals, the account holders or sub account holders whose registration details are uploaded as per the Regulations, shall authenticate his/her original Computerized National Identity Card (CNIC)



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or original passport at the time of attending the meeting.

- (ii) In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B For Appointing Proxies

- (i) In case of individuals, the account holder or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.
- (ii) Attested copies of valid CNIC or the passport of the beneficial owners and the Proxy shall be furnished with the Proxy Form.
- (iii) The proxy shall produce his original valid CNIC or original passport at the time of the meeting.
- (iv) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.
- (v) Proxy form must be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the forms.

STATEMENT PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2017

Pursuant to Section 134 (3) of the Companies Act, 2017, this Statement sets forth the material facts concerning the special business listed herein above, to be transacted at the Extraordinary General Meeting of The Hub Power Company Limited (the "Company") to be held on Friday, June 22, 2018.

1. INVESTMENT IN THAR ENERGY LIMITED ("TEL")

TEL was incorporated in Pakistan on May 17, 2016 as a wholly owned subsidiary of the Company under the repealed Companies Ordinance, 1984. The principal activities of TEL are to develop, own, operate and maintain a 330 MW mine-mouth coal fired power plant to be established at Thar Block II, Thar Coal Mine, Sindh ("**Project**").

TEL has received commitment from Sindh Engro Coal Mining Company Limited ("**SECMC**") for mining of coal in Thar Block II (Phase II) for supply of 1.9 million ton per annum of Thar Lignite coal for sustainable operations of the Thar Plant.

Pursuant to the proposal submitted by TEL on April 05, 2016 for setting up the Project, Private Power & Infrastructure Board ("**PPIB**") issued Letter of Support ("**LOS**") on December 9, 2016 and accordingly TEL executed the Implementation Agreement with PPIB on November 10, 2017. TEL has also executed the Power Purchase Agreement, Water Use Agreement and Coal Supply Agreement in respect of the Project on July 27, 2017, October 17, 2017 and May 13, 2017 respectively. PPIB has approved extension in LOS deadline to achieve the financial close of the project by September 09, 2018.

The Company has entered into the Shareholders' Agreement on March 15, 2018 with Fauji Fertilizer Company Limited ("**FFC**"), CMEC TEL Power Investments Limited ("**CMEC Dubai**") as shareholder and China Everbest Development International Limited ("**CMEC HK**") as Sponsor. The Shareholders' Agreement provides for investment in equity of TEL by each of the shareholders such that the shares of TEL will be distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%. The Company, FFC and CMEC HK would be collectively referred as ("**Sponsors**")

As a condition precedent to the availability of finance facilities for the development of the Project, the lenders of TEL require the Company to enter into a sponsor support agreement ("**SSA**"). Under the SSA several guarantees, undertakings and commitments are required from the Sponsors for which shareholders' approval is being sought.

1. Since the project cost has been increased from US\$ 500 million to US\$ 520 million due to which the proportionate equity contribution of the Company has increased from US\$ 75 million to US\$ 78 million; therefore, revised approval for an amount of US\$ 78 million is sought;
2. Standby letter of credit in an amount not exceeding US\$78 million ("**Equity SBLC**");
3. Sponsor Support Contribution LC in an amount of US\$ 31 million;
4. Undertaking to arrange and/or provide working capital financing to TEL up to an amount of US\$ 36 million ("**Working Capital Financing**") in the event TEL is unable to arrange financing at the relevant time;
5. Obligations to participate in the put option / commercial risk guarantee up to the amount of US\$ 25 million;
6. Excess Debt Support up to the amount of US\$ 22 million plus unpaid markup, if any;
7. Undertaking to provide Initial Debt Service Reserve Account ('DSRA'), if DSRA shortfall exists up to the amount of US\$ 20 million;
8. Debt Service Reserve Account ('DSRA') LC for the current DSRA amount i.e. US\$ 20 million so that Sponsors can withdraw the cash from the DSRA account after Project Completion Date; and
9. Pledge of any shares in TEL owned by the Company, in favor of the lenders of TEL ("**Share Pledge**").

a. Equity*Investment in Equity of TEL*

In the extraordinary general meeting of the Company held on May 25, 2017, the members of the

Company approved the following investments in TEL, by way of a special resolution, as required by Section 208 of the repealed Companies Ordinance, 1984:

"Equity investment in the shares of TEL, by the Company up to an amount of US\$ 75 million, by way of subscription of shares of TEL at a price of PKR 10 each"

Since the project cost has been increased from US\$ 500 million to US\$ 520 million, the proportionate equity contribution of the Company has increased from US\$ 75 million to US\$ 78 million; therefore, revised approval for an amount of US\$ 78 Million is sought.

Standby letter of credit in an amount not exceeding US\$ 78 million ("Equity SBLC")

With regards to the Equity SBLC, the same shall secure the obligations of the Company in respect of the equity contribution pursuant to the Shareholders Agreement dated March 15, 2018. For the purpose of clarity, please note that the SBLC forms part of the US\$ 78 Million equity investment for which the approval is sought from the members of the Company and is not a standalone facility. However, given that the SBLC amounts to a separate "investment" for the purposes of the Act and the Regulations, the Company is required to obtain separate approvals for the same from its members. The SBLC amount will be reduced on each subsequent investment made in the project pursuant to SSA.

b. Sponsor Support Contribution LC

The Company is required by the lenders of TEL to provide a guarantee/standby letter credit for the PKR equivalent of an amount not exceeding US\$ 31 Million to guarantee an investment in the form of subordinated debt to cover (a) cost overrun (b) any obligation under financing documents prior to project completion date of the Project and (c) undertaking to achieve the Commercial Operations Date of the Project.

c. Working Capital Undertaking

With regards to the working capital financing, it is a contingent obligation of the Company pursuant to the Sponsor Support Agreement, which shall arise only if TEL is unable to arrange working capital, and in any case such obligation will not arise before the commencement of the operations of the Project, the expected date of which is March 31, 2021. The maximum amount of the working capital financing to be disbursed at the relevant time shall not exceed US\$ 36 Million.

d. DSRA Support

Support from the Sponsors is required in the form of Standby Letter of Credit ("SBLC") for an amount not exceeding the PKR equivalent of US\$ 20 million in TEL either in the form of investment in equity or by way of debt/loan if there is a shortfall in DSRA or the project completion date of TEL has not been achieved for the purpose of repaying outstanding obligations owed by TEL to its lenders, including any financing costs (the "**Initial DSRA Support**"), and to create security on the assets of the Company as may be required by the relevant lenders that will issue the requisite letter(s) of credit.

After the project completion date of the Project, the lenders of TEL have allowed Sponsors to withdraw the cash from the DSRA account provided Sponsors issue "**DSRA LC**" for the amount of the current DSRA. After the final maturity date of project loan, the TEL lenders will issue instructions to the Facility Agent to release the DSRA LC. That amount can also vary depending on the then prevailing LIBOR/KIBOR rate so the estimation is that, Hubco's share will not exceed US\$ 20 million, although it can be slightly higher or lower. Upon a demand being made for payment under the DSRA LC and receiving such payment, the said amount may be treated as equity or at the option of the Sponsors collectively, subordinated debt advanced in favor of TEL in an amount equal to such portion of the DSRA LC that is called upon.

e. Commercial Risk Guarantee

In order to secure the residual commercial risk post ex-Sinosure Policy (as Sinosure Policy would only cover 65% commercial risk), a Commercial Risk Guarantee structure has been finalized among

the Chinese lenders, local lenders and Sponsors. Under the arrangement, Chinese lenders required some additional coverage from the local lenders. Since Sinasure has agreed to take 65% commercial risk, and the Chinese lenders have agreed to take 15% commercial risk, Sponsors are required to provide additional coverage to Chinese Banks for the residual 20% commercial risk. This 'Put Option' Facility shall be available for a period of 14 years, with Sponsors Portion to be secured by a charge over Sponsors assets. In addition, Sponsors have to provide conditional / contingent support to lenders to cover for (a) any differential of the amount payable to the amount received from CDB in lieu of markup on the forced loan not settled by project company (if any); and (b) any excess exposure of the Commercial Risk Guarantee provider because of PKR devaluation against US\$. Therefore, the Company's exposure (60% share) as Sponsor Support for the Put Option would US\$ 15 Million as primary obligor and US\$ 10 Million as markup on the forced loan not settled by project company (if any) and any excess exposure on account of US\$ / PKR devaluation.

f. Excess Debt Support

In the event TEL requires excess debt, which is over and above the cost approved by NEPRA in the tariff awarded to the Company dated October 18, 2016, the Company is required to provide support in the form of contractual commitments to the lenders of TEL (and/or the security trustee) for TEL taking such excess debt. The excess debt support shall not exceed the PKR equivalent of US\$ 22 million plus unpaid markup, if any.

g. Share Pledge

With regards to the share pledge, the same does not entail any additional financial commitment of the Company towards TEL and is being provided as an additional form of security to the lenders of TEL, to secure TEL's repayment obligations under the financing documents.

As per the requirements of Section 134(3) of the Companies Act, 2017, the Sponsor Support Agreement (when executed) will be available for inspection at the registered office i.e. 11th Floor, Ocean Tower, Main Clifton Road, Block 9, Clifton, Karachi of the Company on working days between normal business hours.

h. Parent Company Guarantee for Hub Power Services Limited (HPSL) to TEL

Hub Power Services Limited ("HPSL"), a wholly owned subsidiary of The Company will be providing Operation and Maintenance (O&M) Services to TEL. As per the requirement of Sponsor Support Agreement, the Company is required to give an unconditional and irrevocable undertaking that it shall procure that HPSL (being the Shareholder's Affiliate and the O&M Operator for TEL) shall comply with its obligations under the O&M Agreement and guaranteeing the same.

2. INVESTMENT IN SINDH ENGRO COAL MINING COMPANY LIMITED

The Government of Sindh (GOS) issued an Information Memorandum dated May 2008 inviting proposals from investors interested in a coal mining project in Thar, Sindh to be dovetailed with a power plant to be set up by investors and Engro Powergen Limited ('Engro') duly submitted its proposal by its letter dated June 14, 2008. The GOS selected Engro as its partner for the coal mining project ("Mining Project").

GOS and Engro entered a joint venture agreement dated September 8, 2009 to inter alia form a joint venture company to carry out a feasibility study of the Mining Project ("Detailed Mining Feasibility Study") and if deemed appropriate to develop the Mining Project. The Company was subsequently incorporated for this purpose with Engro subscribing to 60% of its initial share capital and the GOS, 40% of its initial share capital. On March 8, 2013 the Economic Coordination Committee of the Federal Cabinet of the Government of Pakistan approved the issuance of a Sovereign Guarantee for the debt of the Company provided that the Government of Sindh owns at least 51% of the issued and paid up capital of the Company. Notwithstanding the same, the GOS has agreed with Engro that subject to (unless otherwise agreed by the GOS) Engro (directly or through its Affiliates) retaining shareholding of not less than 26% of the paid up capital of the Company, the management control of the Company shall remain with Engro.

In light of the foregoing, the GOS and Engro amended and restated the terms of the joint venture agreement dated September 8, 2009 and entered into an amended and restated joint venture agreement dated January 24, 2014 (the "JVA").

SECMC is currently setting up a 3.8 Mt/annum mine in Block II. However, it is planning to expand the capacity of mine to 7.6 Mt/annum (Mine Expansion- Phase II) to cater to the two additional 330 MW IPPs being set up by Thar Energy Limited (TEL) and Thal Nova Power Thar (Pvt.) Limited. The marginal tariff of Phase II will be only US\$ 6/kwh, making it the cheapest thermal unit available to Pakistan. Further, SECMC has also achieved important milestones required for Financial Close of the expansion project:

- ♦ EPC contract signed
- ♦ Tariff for Phase II filed with Thar Coal and Energy Board (TCEB)
- ♦ Coal Supply Agreements signed with Phase II IPPs
- ♦ Funding Plan has been finalized and agreed with Lenders

Engro, Thal, HBL, Hubco and a wholly owned subsidiary of CMEC entered into a Master Shareholders Agreement on August 17, 2015 whereby, Hubco has agreed to invest the equivalent of US\$ 20 million (equivalent PKR 940 million already invested) at or soon after Financial Close or at such later time or times as required by the Financing Agreements at a share price of Rs.14.82 per share. The Company has already obtained its members approval in the Company's Annual General Meetings held on October 5, 2015 and October 18, 2016 and EOGM held on January 14, 2016 for making an investment in SECMC of an amount not exceeding US\$ 20 million by way of subscription of shares at the rate of Rs.14.82 per share. The members of the Company have also approved the provision of a standby letter of credit to cover for the equity investment of US\$ 20 million.

In the event of any cost overrun in the development of the Mining Project after Financial Close, the Sponsors (namely, GOS, Engro, Thal, Hubco, HBL, and CMEC), pursuant to the Sponsor Support Agreement to be entered into, agree to provide funding for the purposes of cost overrun to SECMC as requested by SECMC or the Inter creditor Agent, if at any time prior to the Project Completion Date, there is funding shortfall. Each Sponsor is obligated to pay the cost overrun amount in cash, by way of subscription of SECMC shares or at the option of the Sponsors collectively, by way of a subordinated debt to SECMC. During the last Annual General Meeting held on October 5, 2015, the Company sought approval from its members for provision of bank guarantee to cover for the cost overrun of up to US\$ 4 million. The obligation of the Company under the Sponsor Support Agreement is changed to a contractual obligation to make available, if required, a monetary amount equivalent to the Cost Overrun Support Request from SECMC. The obligation of the Company to provide cost overrun support shall be released in full, upon the Project Completion Date. The aforementioned approval was taken at the EOGM held on January 14, 2016. Due to expansion of SECMC Mine to 7.6 Mt/a, HUBCO is required to provide additional Cost Overrun support of US\$ 1 million making a total contractual commitment of US\$ 5 million

As for Debt Service Reserve Account ('DSRA') on the Initial DSRA Test Date, being the date falling one month prior to the First Repayment Date, if there is an Initial DSRA Shortfall, each Sponsor shall procure and issue a DSRA Letter of Credit (LC) in proportion to its shareholding of Ordinary shares in SECMC. The DSRA Shortfall is the amount of one repayment instalment less the amount available in the DSRA and can therefore be upto the amount of one repayment instalment of all the finances obtained by SECMC. That amount can also vary, depending on the then prevailing LIBOR/KIBOR rate, so the estimation is that, Hubco's share will not exceed US\$ 6 million, though it can be slightly higher or lower.

Upon a demand being made for payment under the DSRA LC and receiving such payment, the said amount may be treated as equity or at the option of the Sponsors collectively, subordinated debt advanced in favour of SECMC in an amount equal to such portion of the DSRA LC that is called upon, for which approval was obtained at the EOGM held on January 14, 2016 & October 18, 2016.

To secure SECMC's debt, the Company will also pledge its shares in SECMC with the lenders of SECMC.

Information pursuant to the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 (the "Regulations")

INVESTMENT IN TEL

A. INVESTMENT IN EQUITY:

Investments in TEL up to an amount not exceeding US\$ 78Million (US\$ Seventy Eight Million) (or PKR equivalent) by way of subscription of shares in TEL

(a) Disclosures required under Regulations 3(a):

Information Required	Information Provided
Name of the "associated company"	Thar Energy Limited (TEL)
Basis of relationship;	The Company holds 70% of the total issued shares of TEL. Mr. Khalid Mansoor, CEO, and Mr. Iqbal Alimohamed, Director of the Company, are also on the Board of TEL.
Earnings per share for the last three years;	2017 (2.27) 2016* (0.49) *Being the first year of incorporation
Break-up value per share, based on latest audited financial statements;	Rs. 7.64 per share as of June 2017
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Position as of March 31, 2018 In '000' Total Assets 1,681,545 Equity 1,360,985 Current Liabilities 320,560 General and Administration Expenses (69,645) Loss for the Period (45,217)
In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:- (I) Description of the project and its history since conceptualization; (II) Starting date and expected date of completion of work; (III) Time by which such project shall become commercially operational; (IV) Expected time by which the project shall start paying return on investment; and (V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	(I) Please see preamble above for project description (II) Work has commenced on the Project, and the Project is expected to achieve Commercial Operations Date ("COD") by March 31, 2021 (III) The Project is expected to achieve Commercial Operations Date around March 2021 (IV) The Project is expected to start paying return on investment after the project completion date and subject to TEL lenders' approval. (V) As at May 18, 2018, the Company has invested US\$ 23.45 Million in TEL. The Company will further invest US\$ 54.55 Million Non-Funded: Equity SBLC of US\$ 78 Million
Maximum amount of investment to be made;	Where the Board of TEL decides that TEL requires additional funding, the Board shall raise funds by issuance of further shares to the shareholders in proportion to the percentage of Shares owned by them at such time.

	The Company may invest an amount not exceeding US\$ 78 million (in equivalent Pakistan Rupees) in cash.
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh, Pakistan ('Project') at a total cost of about US\$ 520 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in US\$ following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.</p>
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:-</p> <p>(I) justification for investment through borrowings;</p> <p>(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) cost benefit analysis;</p>	<p>(I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders</p> <p>(II) Pari-passu charge on all the present and future fixed assets of the Company</p> <p>(III) Project is anticipated to offer an IRR of 20% in US\$ following COD</p>
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	<p>Equity investment equivalent to 70% of the total issued shares of TEL</p> <p>The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%</p> <p>The Sponsor Support Agreement is under negotiation with the lenders of TEL and would be executed prior to the financial close of the Project (TEL)</p>
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	<p>Mr. Khalid Mansoor is the CEO of the Company and Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Iqbal Alimohamed is a Director of the Company and Chairman of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Tahir Jawaid is an employee of Hub Power Services Ltd. (which is a wholly-owned subsidiary of Hubco) and a Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Abdul Nasir is the CFO of the Company and Director of TEL and holds 1 qualifying share as a nominee of the Company.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL</p>
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	All major project agreements, including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TEL is expected to achieve the financial close within the timelines required. TEL is committed to ensuring Commercial Operations Date of the Project by March 2021.

	In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in US\$, following the Commercial Operations Date.
Any other important details necessary for the members to understand the transaction;	No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date. The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal. Sponsor Support Agreement and Share Pledge Agreement are to be entered between the Sponsors, TEL, TEL's lenders, and other shareholders of TEL on terms to be finalized with the lenders of TEL.

(b) Disclosures required under Regulation 3(b):

Maximum price at which securities will be acquired	Rs. 10/- per share or such other rate as may be decided by the board of directors of TEL
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the US\$ investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TEL
Number of securities and percentage thereof held before and after the proposed investment	Present holding - 70% (equivalent PKR). The number of securities would depend upon the call made under difference commitments specified above in preamble whether or not the Company opts to satisfy the call by way of subscription of shares in TEL. It is anticipated that the holding will go down to 60%
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. TEL is currently not an operational company therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time. PKR 10 per share is the par value of the share and the latest offer price of TELs' shares. The Company, CMEC and FFC shall subscribe to shares of TEL at PKR 10 per share.

(B) SPONSOR SUPPORT CONTRIBUTION LC

Investment in an amount not exceeding US\$ 31Million (US\$ Thirty One Million) (or PKR equivalent)

(i) investment in the form of equity

(a) Disclosures required under Regulations 3(a):

Information Required	Information Provided
Name of the "associated company"	Thar Energy Limited (TEL)
Basis of relationship;	The Company holds 70% of the total issued shares of TEL. Mr. Khalid Mansoor, CEO, and Mr. Iqbal Alimohamed, Director of the Company, are also on the Board of TEL.

Earnings per share for the last three years;	2017 (2.27) 2016* (0.49) *Being the first year of incorporation
Break-up value per share, based on latest audited financial statements;	Rs. 7.64 per share as of June 2017
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Position as of March 31, 2018 In '000' Total Assets 1,681,545 Equity 1,360,985 Current Liabilities 320,560 General and Administration Expenses (69,645) Loss for the Period (45,217)
In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-	
(I) Description of the project and its history since conceptualization;	(I) Please see preamble above for project description
(II) Starting date and expected date of completion of work;	(II) Work has commenced on the Project, and the Project is expected to achieve Commercial Operations Date ("COD") by March 31, 2021
(III) Time by which such project shall become commercially operational;	(III) The Project is expected to achieve Commercial Operations Date around March 2021
(IV) Expected time by which the project shall start paying return on investment; and	(IV) The Project is expected to start paying return on investment after the project completion date and subject to TEL lenders' approval.
(V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	(V) Non-Funded: Sponsor Support Contribution SBLC of US\$ 31Million
Maximum amount of investment to be made;	US\$ 31 Million (or in equivalent Pakistan Rupees)
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To construct, own, and operate 330 MW at the Thar Site in the province of Sindh Pakistan ('Project') at a total cost of about US\$ 520 Million. In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in US\$ following the COD. The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-	
(I) justification for investment through borrowings;	(I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders
(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and	(II) Pari-passu charge on all the present and future fixed assets of the Company

(III) cost benefit analysis;	(III) Project is anticipated to offers an IRR of 20% in US\$ following COD
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Equity investment equivalent to 70% of the total issued shares of TEL The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10% The Sponsor Support Agreement is under negotiation with the lenders of TEL and would be executed prior to the financial close of the Project (TEL)
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Mr. Khalid Mansoor, is the CEO of the Company and Director of TEL and holds 1 qualifying share as nominee of the Company. Mr. Iqbal Alimohamed is a Director of the Company and Chairman of TEL and holds 1 qualifying share as nominee of the Company. Mr. Tahir Jawaid is an employee of Hub Power Services Ltd. (which is a wholly-owned subsidiary of Hubco) and a Director of TEL and holds 1 qualifying share as nominee of the Company. Mr. Abdul Nasir is the CFO of the Company and Director of TEL and holds 1 qualifying share as a nominee of the Company. Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL.
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TEL is expected to achieve the financial close within the timelines required. TEL is committed to ensuring Commercial Operations Date of the Project by March 2021. In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in US\$, following the Commercial Operations Date. No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.
Any other important details necessary for the members to understand the transaction;	The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal. Sponsor Support Agreement and Share Pledge Agreement are to be entered between the Sponsors, TEL, TEL's lenders, and other shareholders of TEL on terms to be finalized with the lenders of TEL.

(b) Disclosures required under Regulation 3(b):

Maximum price at which securities will be acquired	Rs. 10/- per share or such other rate as may be decided by the board of directors of TEL
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the US\$ investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TEL
Number of securities and percentage thereof held before and after the proposed investment	Present holding - 70% (equivalent PKR). The number of securities would depend upon the call made under difference commitments specified above in preamble whether or not the Company opts to satisfy the call by way of subscription of shares in TEL. It is anticipated that the holding will go down to 60%

Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	<p>Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. TEL is currently not an operational company therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time.</p> <p>PKR 10 per share is the par value of the share and the latest offer price of TELs' shares. The Company, CMEC and FFC shall subscribe to shares of TEL at PKR 10 per share.</p>

(B) SPONSOR SUPPORT CONTRIBUTION LC

(ii) investment in the form of subordinated debt

(a) Disclosures under Regulations 3(a):

Information Required	Information Provided												
Name of the "associated company"	Thar Energy Limited (TEL)												
Basis of relationship;	The Company holds 70% of the total issued shares of TEL. Mr. Khalid Mansoor, CEO, and Mr. Iqbal Alimohamed, Director of the Company, are also on the Board of TEL.												
Earnings per share for the last three years;	<table style="margin-left: auto; margin-right: auto;"> <tr> <td>2017</td> <td>(2.27)</td> </tr> <tr> <td>2016*</td> <td>(0.49)</td> </tr> </table> <p>*Being the first year of incorporation</p>	2017	(2.27)	2016*	(0.49)								
2017	(2.27)												
2016*	(0.49)												
Break-up value per share, based on latest audited financial statements;	Rs. 7.64 per share as of June 2017												
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p>Position as of March 31, 2018</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: right;">In '000'</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">1,681,545</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">1,360,985</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">320,560</td> </tr> <tr> <td>General and Administration Expenses</td> <td style="text-align: right;">(69,645)</td> </tr> <tr> <td>Loss for the Period</td> <td style="text-align: right;">(45,217)</td> </tr> </table>		In '000'	Total Assets	1,681,545	Equity	1,360,985	Current Liabilities	320,560	General and Administration Expenses	(69,645)	Loss for the Period	(45,217)
	In '000'												
Total Assets	1,681,545												
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Current Liabilities	320,560												
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Loss for the Period	(45,217)												
In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-													
(I) Description of the project and its history since conceptualization;	(I) Please see preamble above for project description												
(II) Starting date and expected date of completion of work;	(II) Work has commenced on the Project, and the Project is expected to achieve Commercial Operations Date ("COD") by March 31, 2021.												
(III) Time by which such project shall become commercially operational;	(III) The Project is expected to achieve Commercial Operations Date around March 2021												
(IV) Expected time by which the project shall start paying return on investment; and	(VI) The Project is expected to start paying return on investment after the project completion date and subject to TEL lenders' approval.												

(V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	(V) Non-Funded: Sponsor Support Contribution SBLC of US\$ 31Million.
Maximum amount of investment to be made;	US\$ 31 Million (or in equivalent Pakistan Rupees)
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To construct, own, and operate 330 MW at the Thar Site in the province of Sindh Pakistan ('Project') at a total cost of about US\$ 520 Million. In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in US\$ following the COD. The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	(I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders (II) Pari-passu charge on all the present and future fixed assets of the Company (III) Project is anticipated to offers an IRR of 20% in US\$ following COD
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Equity investment equivalent to 70% of the total issued shares of TEL The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10% The Sponsor Support Agreement is under negotiation with the lenders of TEL and would be executed prior to the financial close of the Project (TEL)
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Mr. Khalid Mansoor, is the CEO of the Company and Director of TEL and holds 1 qualifying share as nominee of the Company. Mr. Iqbal Alimohamed is a Director of the Company and Chairman of TEL and holds 1 qualifying share as nominee of the Company. Mr. Tahir Jawaid is an employee of Hub Power Services Ltd. (which is a wholly-owned subsidiary of Hubco) and a Director of TEL and holds 1 qualifying share as nominee of the Company. Mr. Abdul Nasir is the CFO of the Company and Director of TEL and holds 1 qualifying share as a nominee of the Company. Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TEL is expected to achieve the financial close within the timelines required. TEL is committed to ensuring Commercial Operations Date of the Project by March 2021.

	In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in US\$, following the Commercial Operations Date. No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.
Any other important details necessary for the members to understand the transaction;	The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal. Sponsor Support Agreement and Share Pledge Agreement are to be entered between the Sponsors, TEL, TEL's lenders, and other shareholders of TEL on terms to be finalized with the lenders of TEL.

(b) Disclosures under Regulation 3(c)

Category-wise amount of investment;	As mentioned above in preamble
Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and	7% approximately
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	The commission on the guarantee and any other charge would have to be agreed with the bank providing the Guarantee. In the event any amount is invested as a loan the Company shall require TEL to pay interest at the standard bank rates, to be mutually agreed between the parties
Particulars of collateral or security to be obtained in relation to the proposed investment	No security will be obtained from the borrowing company as it will be a subordinated loan from the Company to TEL
if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	N/A
Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Any amount paid as loan to TEL or its lenders pursuant to the Sponsor Support LC shall be marked as debt subordinated to that of TEL's Lenders and assignable to TEL's Lenders which shall be repayable after the repayment of amounts due to the Lenders of TEL.

(C) WORKING CAPITAL UNDERTAKING

Investment to provide working capital financing to TEL in an amount not exceeding US\$ 36 Million (US\$ Thirty Six Million)

(i) investment in the form of equity

(a) Disclosures under Regulations 3(a):

Information Required	Information Provided
Name of the "associated company"	Thar Energy Limited (TEL)
Basis of relationship;	The Company holds 70% of the total issued shares of TEL. Mr. Khalid Mansoor, CEO, and Mr. Iqbal Alimohamed, Director of the Company, are also on the Board of TEL.
Earnings per share for the last three years;	2017 (2.27) 2016* (0.49) *Being the first year of incorporation
Break-up value per share, based on latest audited financial statements;	Rs. 7.64 per share as of June 2017

<p>Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements</p>	<p>Position as of March 31, 2018</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">In '000'</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td style="text-align: right;">1,681,545</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">1,360,985</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">320,560</td> </tr> <tr> <td>General and Administration Expenses</td> <td style="text-align: right;">(69,645)</td> </tr> <tr> <td>Loss for the Period</td> <td style="text-align: right;">(45,217)</td> </tr> </tbody> </table>		In '000'	Total Assets	1,681,545	Equity	1,360,985	Current Liabilities	320,560	General and Administration Expenses	(69,645)	Loss for the Period	(45,217)
	In '000'												
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<p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-</p> <p>(I) Description of the project and its history since conceptualization;</p> <p>(II) Starting date and expected date of completion of work;</p> <p>(III) Time by which such project shall become commercially operational;</p> <p>(IV) Expected time by which the project shall start paying return on investment; and</p> <p>(V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p>	<p>(I) Please see preamble above for project description.</p> <p>(II) Work has commenced on the Project, and the Project is expected to achieve Commercial Operations Date ("COD") by March 31, 2021</p> <p>(III) The Project is expected to achieve Commercial Operations Date around March 2021</p> <p>(IV) The Project is expected to start paying return on investment after the project completion date and subject to TEL lenders' approval.</p> <p>(V) Non-Funded: Contractual commitment of US\$ 36 Million</p>												
<p>Maximum amount of investment to be made;</p>	<p>US\$36Million (in equivalent Pakistan Rupees)</p>												
<p>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment</p>	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh Pakistan ('Project') at a total cost of about US\$ 520 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in US\$ following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.</p>												
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<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>Equity investment equivalent to 70% of the total issued shares of TEL</p> <p>The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%</p>												

	The Sponsor Support Agreement is under negotiation with the lenders of TEL and would be executed prior to the financial close of the Project (TEL)
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	<p>Mr. Khalid Mansoor, is the CEO of the Company and Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Iqbal Alimohamed is a Director of the Company and Chairman of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Tahir Jawaid is an employee of Hub Power Services Ltd. (which is a wholly-owned subsidiary of Hubco) and a Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Abdul Nasir is the CFO of the Company and Director of TEL and holds 1 qualifying share as a nominee of the Company.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL</p>
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Any other important details necessary for the members to understand the transaction;	The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal. Sponsor Support Agreement and Share Pledge Agreement are to be entered between the Sponsors, TEL, TEL's lenders, and other shareholders of TEL on terms to be finalized with the lenders of TEL.

(b) Disclosures required under Regulation 3(b)

Maximum price at which securities will be acquired	Rs. 10/ per share or such other rate as may be decided by the board of directors of TEL
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the US\$ investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TEL
Number of securities and percentage thereof held before and after the proposed investment	Present holding - 70% (equivalent PKR). The number of securities would depend upon the call made under difference commitments specified above in preamble whether or not the Company opts to satisfy the call by way of subscription of shares in TEL. It is anticipated that the holding will go down to 60%
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides

	<p>that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. TEL is currently not an operational company therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time.</p> <p>PKR 10 per share is the par value of the share and the latest offer price of TELs' shares. The Company, CMEC and FFC shall subscribe to shares of TEL at PKR 10 per share.</p>
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(C) WORKING CAPITAL

(ii) investment in the form of subordinated debt

(a) Disclosures under Regulations 3(a):

Information Required	Information Provided												
Name of the "associated company"	Thar Energy Limited (TEL)												
Basis of relationship;	The Company holds 70% of the total issued shares of TEL. Mr. Khalid Mansoor, CEO, and Mr. Iqbal Alimohamed, Director of the Company, are also on the Board of TEL.												
Earnings per share for the last three years;	<table style="margin-left: 40px;"> <tr> <td>2017</td> <td>(2.27)</td> </tr> <tr> <td>2016*</td> <td>(0.49)</td> </tr> </table> <p>*Being the first year of incorporation</p>	2017	(2.27)	2016*	(0.49)								
2017	(2.27)												
2016*	(0.49)												
Break-up value per share, based on latest audited financial statements;	Rs. 7.64 per share as of June 2017												
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p>Position as of March 31, 2018</p> <table style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">In '000'</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">1,681,545</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">1,360,985</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">320,560</td> </tr> <tr> <td>General and Administration Expenses</td> <td style="text-align: right;">(69,645)</td> </tr> <tr> <td>Loss for the Period</td> <td style="text-align: right;">(45,217)</td> </tr> </table>		In '000'	Total Assets	1,681,545	Equity	1,360,985	Current Liabilities	320,560	General and Administration Expenses	(69,645)	Loss for the Period	(45,217)
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Total Assets	1,681,545												
Equity	1,360,985												
Current Liabilities	320,560												
General and Administration Expenses	(69,645)												
Loss for the Period	(45,217)												
In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-													
(I) Description of the project and its history since conceptualization;	(I) Please see preamble above for project description												
(II) Starting date and expected date of completion of work;	(II) Work has commenced on the Project, and the Project is expected to achieve Commercial Operation Date ("COD") by March 31, 2021.												
(III) Time by which such project shall become commercially operational;	(III) The Project is expected to achieve Commercial Operations Date around March 2021												
(IV) Expected time by which the project shall start paying return on investment; and	(IV) The Project is expected to start paying return on investment after the project completion date and subject to TEL lenders' approval.												
(V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	(V) Non-Funded: Contractual commitment of US\$ 36 Million												

Maximum amount of investment to be made;	US\$ 36 Million (in equivalent Pakistan Rupees)
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh Pakistan ('Project') at a total cost of about US\$ 520 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in US\$ following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.</p>
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-</p> <p>(I) justification for investment through borrowings;</p> <p>(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) cost benefit analysis;</p>	<p>(I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders</p> <p>(II) Pari-passu charge on all the present and future fixed assets of the Company</p> <p>(III) Project is anticipated to offer an IRR of 20% in US\$ following COD</p>
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	<p>Equity investment equivalent to 70% of the total issued shares of TEL</p> <p>The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%</p> <p>The Sponsor Support Agreement is under negotiation with the lenders of TEL and would be executed prior to the financial close of the Project (TEL)</p>
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	<p>Mr. Khalid Mansoor, is the CEO of the Company and Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Iqbal Alimohamed is a Director of the Company and Chairman of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Tahir Jawaid is an employee of Hub Power Services Ltd. (which is a wholly-owned subsidiary of Hubco) and a Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Abdul Nasir is the CFO of the Company and Director of TEL and holds 1 qualifying share as a nominee of the Company.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL</p>
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TEL is expected to achieve the financial close within the timelines required. TEL is committed to ensuring Commercial Operations Date of the Project by March 2021.

	In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in US\$, following the Commercial Operations Date.
Any other important details necessary for the members to understand the transaction;	No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date. The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal. Sponsor Support Agreement and Share Pledge Agreement are to be entered between the Sponsors, TEL, TEL's lenders, and other shareholders of TEL on terms to be finalized with the lenders of TEL.

(b) Disclosures under Regulation 3(c)

Category-wise amount of investment;	As mentioned above in preamble
Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and	7% approximately
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	The commission on the guarantee and any other charge would have to be agreed with the bank providing the Guarantee. In the event any amount is invested as a loan the Company shall require TEL to pay interest at the standard bank rates, to be mutually agreed between the parties
Particulars of collateral or security to be obtained in relation to the proposed investment	No security will be obtained from the borrowing company as it will be a subordinated loan from the Company to TEL
if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	N/A
Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Any amount paid as loan to TEL or its lenders pursuant to the Working Capital Commitment shall be marked as debt subordinated to that of TEL's Lenders and assignable to TEL's Lenders which shall be repayable after the repayment of amounts due to the Lenders of TEL

(D) DSRA SUPPORT

Investment in TEL of an amount not exceeding US\$ 20 Million for Initial DSRA and US\$ 20 Million for Final DSRA (or PKR equivalent)

(i) investment in the form of equity

(a) Disclosures under Regulations 3(a):

Information Required	Information Provided
Name of the "associated company"	Thar Energy Limited (TEL)
Basis of relationship;	The Company holds 70% of the total issued shares of TEL. Mr. Khalid Mansoor, CEO, and Mr. Iqbal Alimohamed, Director of the Company, are also on the Board of TEL.
Earnings per share for the last three years;	2017 (2.27) 2016* (0.49) *Being the first year of incorporation
Break-up value per share, based on latest audited financial statements;	Rs. 7.64 per share as of June 2017

<p>Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements</p>	<p>Position as of March 31, 2018</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; font-weight: bold;">In '000'</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td style="text-align: right;">1,681,545</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">1,360,985</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">320,560</td> </tr> <tr> <td>General and Administration Expenses</td> <td style="text-align: right;">(69,645)</td> </tr> <tr> <td>Loss for the Period</td> <td style="text-align: right;">(45,217)</td> </tr> </tbody> </table>		In '000'	Total Assets	1,681,545	Equity	1,360,985	Current Liabilities	320,560	General and Administration Expenses	(69,645)	Loss for the Period	(45,217)
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<p>Maximum amount of investment to be made;</p>	<p>Initial DSRA SBLC US\$ 20 Million (or in equivalent Pakistan Rupees) and final DSRA SBLC US\$ 20 Million (or in equivalent Pakistan Rupees)</p>												
<p>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment</p>	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh Pakistan ('Project') at a total cost of about US\$ 520 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in US\$ following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.</p>												
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<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>Equity investment equivalent to 70% of the total issued shares of TEL</p>												

	<p>The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%</p> <p>The Sponsor Support Agreement is under negotiation with the lenders of TEL and would be executed prior to the financial close of the Project (TEL)</p>
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	<p>Mr. Khalid Mansoor, is the CEO of the Company and Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Iqbal Alimohamed is a Director of the Company and Chairman of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Tahir Jawaid is an employee of Hub Power Services Ltd. (which is a wholly-owned subsidiary of Hubco) and a Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Abdul Nasir is the CFO of the Company and Director of TEL and holds 1 qualifying share as a nominee of the Company.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL</p>
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	<p>All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TEL is expected to achieve the financial close within the timelines required. TEL is committed to ensuring Commercial Operations Date of the Project by March 2021.</p> <p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in US\$, following the Commercial Operations Date.</p> <p>No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.</p>
Any other important details necessary for the members to understand the transaction;	The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal. Sponsor Support Agreement and Share Pledge Agreement are to be entered between the Sponsors, TEL, TEL's lenders, and other shareholders of TEL on terms to be finalized with the lenders of TEL.

(b) Disclosures under Regulation 3(b)

Maximum price at which securities will be acquired	Rs. 10/- per share or such other rate as may be decided by the board of directors of TEL
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the US\$ investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TEL
Number of securities and percentage thereof held before and after the proposed investment	Present holding - 70% (equivalent PKR). The number of securities would depend upon the call made under difference commitments specified above in preamble whether or not the Company opts to satisfy the call by way of subscription of shares in TEL. It is anticipated that the holding will go down to 60%
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A

Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	<p>Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. TEL is currently not an operational company therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time.</p> <p>PKR 10 per share is the par value of the share and the latest offer price of TELs' shares. The Company, CMEC and FFC shall subscribe to shares of TEL at PKR 10 per share.</p>
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(D) DSRA SUPPORT

(ii) investment in the form of subordinated debt

(a) Disclosures under Regulations 3(a):

Information Required	Information Provided												
Name of the "associated company"	Thar Energy Limited (TEL)												
Basis of relationship;	<p>The Company holds 70% of the total issued shares of TEL.</p> <p>Mr. Khalid Mansoor, CEO, and Mr. Iqbal Alimohamed, Director of the Company, are also on the Board of TEL.</p>												
Earnings per share for the last three years;	<table border="0"> <tr> <td style="text-align: right;">2017</td> <td style="text-align: right;">(2.27)</td> </tr> <tr> <td style="text-align: right;">2016*</td> <td style="text-align: right;">(0.49)</td> </tr> </table> <p>*Being the first year of incorporation</p>	2017	(2.27)	2016*	(0.49)								
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Maximum amount of investment to be made;	For Initial DSRA US\$ 20 Million (or in equivalent Pakistan Rupees) and final DSRA US\$ 20 Million (or in equivalent Pakistan Rupees)
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh Pakistan ('Project') at a total cost of about US\$ 520 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in US\$ following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.</p>
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Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	<p>Equity investment equivalent to 70% of the total issued shares of TEL</p> <p>The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%</p> <p>The Sponsor Support Agreement is under negotiation with the lenders of TEL and would be executed prior to the financial close of the Project (TEL)</p>
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In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TEL is expected to achieve the financial close within the timelines required. TEL is committed to ensuring Commercial Operations Date of the Project by March 2021.

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Category-wise amount of investment;	As mentioned above in preamble
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Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	The commission on the guarantee and any other charge would have to be agreed with the bank providing the Guarantee. In the event any amount is invested as a loan the Company shall require TEL to pay interest at the standard bank rates, to be mutually agreed between the parties
Particulars of collateral or security to be obtained in relation to the proposed investment	No security will be obtained from the borrowing company as it will be a subordinated loan from the Company to TEL
If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	N/A
Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Any amount paid as loan to TEL or its lenders pursuant to the DSRA LC shall be marked as debt subordinated to that of TEL's Lenders and assignable to TEL's Lenders which shall be repayable after the repayment of amounts due to the Lenders of TEL

(E) PUT OPTION/COMMERCIAL RISK GUARANTEE

Investment of an amount not exceeding US\$ 25 Million (or PKR equivalent)

(i) investment in the form of equity

(a) Disclosures under Regulations 3(a):

Information Required	Information Provided
Name of the "associated company"	Thar Energy Limited (TEL)
Basis of relationship;	The Company holds 70% of the total issued shares of TEL. Mr. Khalid Mansoor, CEO, and Mr. Iqbal Alimohamed, Director of the Company, are also on the Board of TEL.
Earnings per share for the last three years;	2017 (2.27) 2016* (0.49) *Being the first year of incorporation
Break-up value per share, based on latest audited financial statements;	Rs. 7.64 per share as of June 2017

<p>Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements</p>	<p>Position as of March 31, 2018</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; font-weight: bold;">In '000'</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td style="text-align: right;">1,681,545</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">1,360,985</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">320,560</td> </tr> <tr> <td>General and Administration Expenses</td> <td style="text-align: right;">(69,645)</td> </tr> <tr> <td>Loss for the Period</td> <td style="text-align: right;">(45,217)</td> </tr> </tbody> </table>		In '000'	Total Assets	1,681,545	Equity	1,360,985	Current Liabilities	320,560	General and Administration Expenses	(69,645)	Loss for the Period	(45,217)
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<p>Maximum amount of investment to be made;</p>	<p>US\$ 25 Million (or in equivalent Pakistan Rupees)</p>												
<p>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment</p>	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh Pakistan ('Project') at a total cost of about US\$ 520 Million.</p> <p>In terms of Commercial Operation Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in US\$ following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.</p>												
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-</p> <p>(I) justification for investment through borrowings;</p> <p>(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) cost benefit analysis;</p>	<p>(I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders</p> <p>(II) Pari-passu charge on all the present and future fixed assets of the Company</p> <p>(III) Project is anticipated to offer an IRR of 20% in US\$ following COD</p>												
<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>Equity investment equivalent to 70% of the total issued shares of TEL</p>												

	<p>The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%</p> <p>The Sponsor Support Agreement is under negotiation with the lenders of TEL and would be executed prior to the financial close of the Project (TEL)</p>
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	<p>Mr. Khalid Mansoor, is the CEO of the Company and Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Iqbal Alimohamed is a Director of the Company and Chairman of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Tahir Jawaid is an employee of Hub Power Services Ltd. (which is a wholly-owned subsidiary of Hubco) and a Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Abdul Nasir is the CFO of the Company and Director of TEL and holds 1 qualifying share as a nominee of the Company.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL</p>
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	<p>All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TEL is expected to achieve the financial close within the timelines required. TEL is committed to ensuring Commercial Operations Date of the Project by March 2021.</p> <p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in US\$, following the Commercial Operations Date.</p> <p>No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.</p>
Any other important details necessary for the members to understand the transaction;	<p>The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal. Sponsor Support Agreement and Share Pledge Agreement are to be entered between the Sponsors, TEL, TEL's lenders, and other shareholders of TEL on terms to be finalized with the lenders of TEL.</p>

(b) Disclosures under Regulation 3(b)

Maximum price at which securities will be acquired	Rs. 10/- per share or such other rate as may be decided by the board of directors of TEL
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the US\$ investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TEL
Number of securities and percentage thereof held before and after the proposed investment	Present holding - 70% (equivalent PKR). The number of securities would depend upon the call made under difference commitments specified above in preamble whether or not the Company opts to satisfy the call by way of subscription of shares in TEL. It is anticipated that the holding will go down to 60%

Maximum price at which securities will be acquired	Rs. 10/- per share or such other rate as may be decided by the board of directors of TEL
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the US\$ investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TEL
Number of securities and percentage thereof held before and after the proposed investment	Present holding - 70% (equivalent PKR). The number of securities would depend upon the call made under difference commitments specified above in preamble whether or not the Company opts to satisfy the call by way of subscription of shares in TEL. It is anticipated that the holding will go down to 60%
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. TEL is currently not an operational company therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time. PKR 10 per share is the par value of the share and the latest offer price of TELs' shares. The Company, CMEC and FFC shall subscribe to shares of TEL at PKR 10 per share.

(E) PUT OPTION/COMMERCIAL RISK GUARANTEE

(ii) investment in the form of subordinated debt

(a) Disclosures under Regulations 3(a):

Information Required	Information Provided												
Name of the "associated company"	Thar Energy Limited (TEL)												
Basis of relationship;	The Company holds 70% of the total issued shares of TEL. Mr. Khalid Mansoor, CEO, and Mr. Iqbal Alimohamed, Director of the Company, are also on the Board of TEL.												
Earnings per share for the last three years;	2017 (2.27) 2016* (0.49) *Being the first year of incorporation												
Break-up value per share, based on latest audited financial statements;	Rs. 7.64 per share as of June 2017												
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Position as of March 31, 2018 <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">In '000'</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">1,681,545</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">1,360,985</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">320,560</td> </tr> <tr> <td>General and Administration Expenses</td> <td style="text-align: right;">(69,645)</td> </tr> <tr> <td>Loss for the Period</td> <td style="text-align: right;">(45,217)</td> </tr> </table>		In '000'	Total Assets	1,681,545	Equity	1,360,985	Current Liabilities	320,560	General and Administration Expenses	(69,645)	Loss for the Period	(45,217)
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<p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-</p> <ul style="list-style-type: none"> (I) Description of the project and its history since conceptualization; (II) Starting date and expected date of completion of work; (III) Time by which such project shall become commercially operational; (IV) Expected time by which the project shall start paying return on investment; and (V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts; 	<ul style="list-style-type: none"> (I) Please see preamble above for project description (II) Work has commenced on the Project, and the Project is expected to achieve Commercial Operation Date ("COD") by March 31, 2021 (III) The Project is expected to achieve Commercial Operations Date around March 2021 (IV) The Project is expected to start paying return on investment after the project completion date and subject to TEL lenders' approval (V) Non-Funded: Providing security on Hub Plant assets of an amount not exceeding US\$ 15 Million and Contractual Commitment of US\$ 10 Million for contingent liability
<p>Maximum amount of investment to be made;</p>	<p>US\$ 25 Million (or in equivalent Pakistan Rupees)</p>
<p>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment</p>	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh Pakistan ('Project') at a total cost of about US\$ 520 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in US\$ following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.</p>
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-</p> <ul style="list-style-type: none"> (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis; 	<ul style="list-style-type: none"> (I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders (II) Pari-passu charge on all the present and future fixed assets of the Company (III) Project is anticipated to offer an IRR of 20% in US\$ following COD
<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>Equity investment equivalent to 70% of the total issued shares of TEL</p> <p>The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%</p> <p>The Sponsor Support Agreement is under negotiation with the lenders of TEL and would be executed prior to the financial close of the Project (TEL)</p>

Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	<p>Mr. Khalid Mansoor, is the CEO of the Company and Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Iqbal Alimohamed is a Director of the Company and Chairman of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Tahir Jawaid is an employee of Hub Power Services Ltd. (which is a wholly-owned subsidiary of Hubco) and a Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Abdul Nasir is the CFO of the Company and Director of TEL and holds 1 qualifying share as a nominee of the Company.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL</p>
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	<p>All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TEL is expected to achieve the financial close within the timelines required. TEL is committed to ensuring Commercial Operations Date of the Project by March 2021.</p> <p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% inUS\$, following the Commercial Operations Date.</p> <p>No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.</p>
Any other important details necessary for the members to understand the transaction;	The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal. Sponsor Support Agreement and Share Pledge Agreement are to be entered between the Sponsors, TEL, TEL's lenders, and other shareholders of TEL on terms to be finalized with the lenders of TEL.

(b) Disclosures under Regulation 3(c)

Category-wise amount of investment;	As mentioned above in preamble
Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and	7% approximately
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	The commission on the guarantee and any other charge would have to be agreed with the bank providing the Guarantee.
Particulars of collateral or security to be obtained in relation to the proposed investment	<p>In the event any amount is invested as a loan the Company shall require TEL to pay interest at the standard bank rates, to be mutually agreed between the parties</p> <p>No security will be obtained from the borrowing company as it will be a subordinated loan from the Company to TEL</p>
if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	N/A
Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Any amount paid as loan to TEL or its lenders pursuant to the Put Option shall be marked as debt subordinated to that of TEL's Lenders and assignable to TEL's Lenders which shall be repayable after the repayment of amounts due to the Lenders of TEL

(F) EXCESS DEBT SUPPORT

Investment in TEL of an amount not exceeding US\$ 22 Million(or PKR equivalent)

(i) investment in the form of equity

(a) Disclosures under Regulations 3(a):

Information Required	Information Provided												
Name of the "associated company"	Thar Energy Limited (TEL)												
Basis of relationship;	The Company holds 70% of the total issued shares of TEL. Mr. Khalid Mansoor, CEO, and Mr. Iqbal Alimohamed, Director of the Company, are also on the Board of TEL.												
Earnings per share for the last three years;	<table style="margin-left: auto; margin-right: auto;"> <tr> <td>2017</td> <td>(2.27)</td> </tr> <tr> <td>2016*</td> <td>(0.49)</td> </tr> </table> <p>*Being the first year of incorporation</p>	2017	(2.27)	2016*	(0.49)								
2017	(2.27)												
2016*	(0.49)												
Break-up value per share, based on latest audited financial statements;	Rs. 7.64 per share as of June 2017												
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p>Position as of March 31, 2018</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: right;">In '000'</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">1,681,545</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">1,360,985</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">320,560</td> </tr> <tr> <td>General and Administration Expenses</td> <td style="text-align: right;">(69,645)</td> </tr> <tr> <td>Loss for the Period</td> <td style="text-align: right;">(45,217)</td> </tr> </table>		In '000'	Total Assets	1,681,545	Equity	1,360,985	Current Liabilities	320,560	General and Administration Expenses	(69,645)	Loss for the Period	(45,217)
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In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-													
(I) Description of the project and its history since conceptualization;	(I) Please see preamble above for project description												
(II) Starting date and expected date of completion of work;	(II) Work has commenced on the Project, and the Project is expected to achieve Commercial Operation Date ("COD") by March 31, 2021												
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(V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	(V) Non-Funded: Contractual commitment of US\$ 22 Million plus unpaid markup, if any												
Maximum amount of investment to be made;	US\$ 22 Million Plus unpaid markup (or in equivalent Pakistan Rupees), if any												
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh Pakistan ('Project') at a total cost of about US\$ 520 Million.</p> <p>In terms of Commercial Operation Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in US\$ following the COD.</p>												

<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-</p> <p>(I) justification for investment through borrowings;</p> <p>(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) cost benefit analysis;</p>	<p>The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.</p> <p>(I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders</p> <p>(II) Pari-passu charge on all the present and future fixed assets of the Company</p> <p>(III) Project is anticipated to offer an IRR of 20% in US\$ following COD</p>
<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>Equity investment equivalent to 70% of the total issued shares of TEL</p> <p>The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%</p> <p>The Sponsor Support Agreement is under negotiation with the lenders of TEL and would be executed prior to the financial close of the Project (TEL)</p>
<p>Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;</p>	<p>Mr. Khalid Mansoor, is the CEO of the Company and Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Iqbal Alimohamed is a Director of the Company and Chairman of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Tahir Jawaid is an employee of Hub Power Services Ltd. (which is a wholly-owned subsidiary of Hubco) and a Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Abdul Nasir is the CFO of the Company and Director of TEL and holds 1 qualifying share as a nominee of the Company.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL</p>
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(b) Disclosures under Regulation 3(b)

Maximum price at which securities will be acquired	Rs. 10/- per share or such other rate as may be decided by the board of directors of TEL
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the US\$ investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TEL
Number of securities and percentage thereof held before and after the proposed investment	Present holding - 70% (equivalent PKR). The number of securities would depend upon the call made under difference commitments specified above in preamble whether or not the Company opts to satisfy the call by way of subscription of shares in TEL. It is anticipated that the holding will go down to 60%
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. TEL is currently not an operational company therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time. PKR 10 per share is the par value of the share and the latest offer price of TEL's shares. The Company, CMEC and FFC shall subscribe to shares of TEL at PKR 10 per share.

(F) EXCESS DEBT SUPPORT

(ii) investment in the form of subordinated debt

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<p>Maximum amount of investment to be made;</p>	<p>US\$ 22 Million plus unpaid markup (or in equivalent Pakistan Rupees), if any</p>
<p>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment</p>	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh Pakistan ('Project') at a total cost of about US\$ 520 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in US\$ following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.</p>
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-</p> <ul style="list-style-type: none"> (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis; 	<ul style="list-style-type: none"> (I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders (II) Pari-passu charge on all the present and future fixed assets of the Company (III) Project is anticipated to offer an IRR of 20% in US\$ following COD
<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>Equity investment equivalent to 70% of the total issued shares of TEL</p> <p>The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%</p> <p>The Sponsor Support Agreement is under negotiation with the lenders of TEL and would be executed prior to the financial close of the Project (TEL)</p>

Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	<p>Mr. Khalid Mansoor, is the CEO of the Company and Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Iqbal Alimohamed is a Director of the Company and Chairman of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Tahir Jawaid is an employee of Hub Power Services Ltd. (which is a wholly-owned subsidiary of Hubco) and a Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Abdul Nasir is the CFO of the Company and Director of TEL and holds 1 qualifying share as a nominee of the Company.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL</p>
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	<p>All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TEL is expected to achieve the financial close within the timelines required. TEL is committed to ensuring Commercial Operations Date of the Project by March 2021.</p> <p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in US\$, following the Commercial Operations Date.</p> <p>No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.</p>
Any other important details necessary for the members to understand the transaction;	The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal. Sponsor Support Agreement and Share Pledge Agreement are to be entered between the Sponsors, TEL, TEL's lenders, and other shareholders of TEL on terms to be finalized with the lenders of TEL.

(b) Disclosures under Regulation 3(c)

Category-wise amount of investment;	As mentioned above in preamble
Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and	7% approximately
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	<p>The commission on the guarantee and any other charge would have to be agreed with the bank providing the Guarantee.</p> <p>In the event any amount is invested as a loan the Company shall require TEL to pay interest at the standard bank rates, to be mutually agreed between the parties</p>
Particulars of collateral or security to be obtained in relation to the proposed investment	No security will be obtained from the borrowing company as it will be a subordinated loan from the Company to TEL
if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	N/A
Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Any amount paid as loan to TEL or its lenders pursuant to Excess debt support shall be marked as debt subordinated to that of TEL's Lenders and assignable to TEL's Lenders which shall be repayable after the repayment of amounts due to the Lenders of TEL

2. Investment in Sindh Engro Coal Mining Company Limited

Cost Overrun - In The Form of Equity

(a) Disclosures under Regulations 3(a):

Information Required	Information Provided								
Name of the "associated company"	Sindh Engro Coal Mine Company (SECMC)								
Basis of relationship;	The Company holds 8% of the total issued shares of SECMC. Mr. Khalid Mansoor, CEO of the Company is also on the Board of SECMC.								
Earnings per share for the last three years;	<table border="1"> <thead> <tr> <th>Year</th> <th>Earnings / (Loss) per share</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>(0.03)</td> </tr> <tr> <td>2016</td> <td>(0.07)</td> </tr> <tr> <td>2015</td> <td>0.04</td> </tr> </tbody> </table>	Year	Earnings / (Loss) per share	2017	(0.03)	2016	(0.07)	2015	0.04
Year	Earnings / (Loss) per share								
2017	(0.03)								
2016	(0.07)								
2015	0.04								
Break-up value per share, based on latest audited financial statements;	14.82 per share as of December 2017								
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Position as of December 31, 2017 <table border="1"> <thead> <tr> <th></th> <th>In '000'</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td>40,709,017</td> </tr> <tr> <td>Equity</td> <td>10,074,559</td> </tr> <tr> <td>Loss for the Period</td> <td>(19,802)</td> </tr> </tbody> </table>		In '000'	Total Assets	40,709,017	Equity	10,074,559	Loss for the Period	(19,802)
	In '000'								
Total Assets	40,709,017								
Equity	10,074,559								
Loss for the Period	(19,802)								
In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-									
(I) Description of the project and its history since conceptualization;	(I) Please see preamble above for project description								
(II) Starting date and expected date of completion of work;	(II) Project is expected to achieve Commercial Operations Date in June 2019								
(III) Time by which such project shall become commercially operational;	(III) The Project is expected to achieve Commercial Operations Date around June 2019								
(IV) Expected time by which the project shall start paying return on investment; and	(IV) The Project is expected to start paying return on investment after the project completion date and subject to SECMC lenders' approval.								
(V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	(V) Non-Funded: Contractual commitment of US\$ 5 million								
Maximum amount of investment to be made;	USD 5 million (orin equivalent Pakistan Rupees) converted at the date of subscription.								
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	Develop and Expand a coal mine of 7.6 million tons per annum. Initial output is expected in fourth quarter of 2018. Investment in SECMC which on completion is to generate return of 20% in IRR terms.								
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-									

(I) justification for investment through borrowings;	(I) The Company will earn a higher return on its investment than the cost of the borrowing while also increasing the assets of the Company by setting up SECMC's project.
(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and	(II) Pari-passu charge on all the present and future fixed assets of the Company
(III) cost benefit analysis;	(III) Project is anticipated to offer an IRR of 20% in US\$ following COD
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Shareholders' Agreement provides for Hubco to nominate a Director on the Board of SECMC. Need to hold minimum of 6% in the SECMC post Financial Close to retain directorship
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Mr. Khalid Mansoor, director in SECMC holds 1 qualifying share as nominee of the Company.
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	Please see preamble above.
Any other important details necessary for the members to understand the transaction;	None.

(b) Disclosures under Regulation 3(b)

Maximum price at which securities will be acquired	Rs. 14.82 per share
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	The Company has already been allotted 63,416,958 ordinary shares and has undertaken to invest USD 20 million (less Rs. 940 million already invested). The number of securities would be determined based on the conversion on the date of subscription. In terms of cost overrun, the number of securities will depend on the cost overrun support required by SECMC, if it is decided that the investment shall be made by way of subscription in shares and will be subject to conversion as stated above. However, in all cases, the Company's percentage ownership of SECMC's ordinary shares is to be at approximately 8%.
Number of securities and percentage thereof held before and after the proposed investment	Present holding - 8% (equivalent PKR). The number of securities would depend upon the call made under difference commitments specified above. In terms of cost overrun, the number of securities will depend on the cost overrun support required by SECMC, if it is decided that the investment shall be made by way of subscription in shares and will be subject to conversion as stated above. However, in all cases, the Company's percentage ownership of SECMC's ordinary shares is to be at approximately 8%.
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities

	<p>shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. SECMC has not achieved its Commercial Operations Date, therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time.</p> <p>PKR 14.82 per share is the par value of the share</p>
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Investment in the form of subordinated debt

(a) Disclosures under Regulations 3(a):

Information Required	Information Provided								
Name of the "associated company"	Sindh Engro Coal Mine Company (SECMC)								
Basis of relationship;	The Company holds 8% of the total issued shares of SECMC. Mr. Khalid Mansoor, CEO of the Company is also on the Board of SECMC.								
Earnings per share for the last three years;	<table border="1"> <thead> <tr> <th>Year</th> <th>Earnings / (Loss) per share</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>(0.03)</td> </tr> <tr> <td>2016</td> <td>(0.07)</td> </tr> <tr> <td>2015</td> <td>0.04</td> </tr> </tbody> </table>	Year	Earnings / (Loss) per share	2017	(0.03)	2016	(0.07)	2015	0.04
Year	Earnings / (Loss) per share								
2017	(0.03)								
2016	(0.07)								
2015	0.04								
Break-up value per share, based on latest audited financial statements;	14.82 per share as of December 2017								
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p>Position as of December 31, 2017</p> <table border="1"> <thead> <tr> <th></th> <th>In '000'</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td>40,709,017</td> </tr> <tr> <td>Equity</td> <td>10,074,559</td> </tr> <tr> <td>Loss for the Period</td> <td>(19,802)</td> </tr> </tbody> </table>		In '000'	Total Assets	40,709,017	Equity	10,074,559	Loss for the Period	(19,802)
	In '000'								
Total Assets	40,709,017								
Equity	10,074,559								
Loss for the Period	(19,802)								
<p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-</p> <p>(I) Description of the project and its history since conceptualization;</p> <p>(II) Starting date and expected date of completion of work;</p> <p>(III) Time by which such project shall become commercially operational;</p> <p>(IV) Expected time by which the project shall start paying return on investment; and</p> <p>(V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p>	<p>(I) Please see preamble above for project description</p> <p>(II) Project is expected to achieve Commercial Operations Date in June 2019</p> <p>(III) The Project is expected to achieve Commercial Operations Date around June 2019</p> <p>(IV) The Project is expected to start paying return on investment after the project completion date and subject to SECMC lenders' approval.</p> <p>(V) Non-Funded: Contractual commitment of US\$ 5 million</p>								
Maximum amount of investment to be made;	<p>Each Sponsor is obligated to pay the cost overrun amount in cash, by way of subscription of SECMC shares or at the option of the Sponsors collectively, by way of a subordinated debt to SECMC.</p> <p>In case of investment by way of subscription of SECMC shares, for an amount not exceeding USD 5 million (in equivalent Pakistan Rupees) converted at the date of subscription.</p>								

Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	Develop and Expand a coal mine of 7.6 million tons per annum. Initial output is expected in fourth quarter of 2018. Investment in SECMC which on completion is to generate return of 20% in IRR terms.
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	(I) The Company will earn a higher return on its investment than the cost of the borrowing while also increasing the assets of the Company by setting up SECMC's project. (II) Pari-passu charge on all the present and future fixed assets of the Company (III) Project is anticipated to offer an IRR of 20% in US\$ following COD
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Shareholders' Agreement provides for Hubco to nominate a Director on the Board of SECMC. Need to hold minimum of 6% in the SECMC post Financial Close to retain directorship
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Mr. Khalid Mansoor, director in SECMC holds 1 qualifying share as nominee of the Company.
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	Please see preamble above.
Any other important details necessary for the members to understand the transaction;	None.

(b) Disclosures under Regulation 3(c)

Category-wise amount of investment;	As mentioned above in preamble
Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and	7% approximately
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	The commission on the guarantee and any other charge would have to be agreed with the bank providing the Guarantee. In the event any amount is invested as a loan the Company shall require SECMC to pay interest at the standard bank rates, to be mutually agreed between the parties
Particulars of collateral or security to be obtained in relation to the proposed investment	No security will be obtained from the borrowing company as it will be a subordinated loan from the Company to SECMC
If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	N/A
Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	To be finalized with the lenders at the time when (and if) a loan is required to be extended. However, it is expected that the term will be at least as long as the loans/finances to be provided by



	lenders which is 14 years from the date of effectiveness of their loan agreements. Repayment of both the principal and mark-up payable by SECMC will be subordinated to the principal/interest/mark-up and other payments due to the lenders under the terms of their financing documents.
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3. Reason of Increase in Authorized Share Capital

The current Authorized Share Capital of the Company is Rs. 12,000,000,000/- (Rupees Twelve Billion Only) divided into 1,200,000,000 Ordinary Shares of Rs. 10/- each.

To cater for any future issue of share capital to finance the Company's growth projects and capital expenditure in the years to come, the Board of Directors have recommended an increase in the Authorized Share Capital of the Company from existing share capital of Rs. 12,000,000,000/- (Rupees Twelve Billion Only) divided into 1,200,000,000 Ordinary Shares of Rs. 10/- each to Rs. 17,000,000,000/- divided into 1,700,000,000 ordinary shares of Rs. 10/- each by an amount of Rs. 5,000,000,000/- (Rupees Five Billion Only). For this purpose, a Special Resolution is required to be considered and approved in the forthcoming Extraordinary General Meeting.

The Directors of the Company have no personal interest in the increase of Authorized Share Capital whether directly or indirectly except to the extent of the shareholding held by them in the Company.

Current	Proposed
<p>Clause 4 of Articles of Association</p> <p>The authorized share capital of the Company is Rupees twelve thousand million (Rs. 12,000,000,000) divided into One thousand two hundred million (1,200,000,000) shares of Rupees Ten (Rs 10) each.</p>	<p>Clause 4 of Articles of Association</p> <p>The authorized share capital of the Company is Rupees Seventeen Thousand Million (Rs. 17,000,000,000) divided into Seventeen Hundred Million (1,700,000,000) shares of Rupees Ten (Rs 10) each.</p>
<p>Clause V of the Memorandum of Association</p> <p>The Authorised Share Capital of the Company is Rs. 12,000,000,000 (Rupees Twelve Thousand Million) divided into Twelve Hundred million (1,200,000,000) Ordinary Shares of Rs. 10 each with the rights, privileges and conditions attaching thereto provided by the regulations of the Company for the time being with power to increase and reduce the capital of the Company and to sub divide the ordinary shares in the capital for the time being into several classes.</p>	<p>Clause V of the Memorandum of Association</p> <p>The Authorised Share Capital of the Company is Rs. 17,000,000,000 (Rupees Seventeen Thousand Million) divided into Seventeen Hundred million (1,700,000,000) Ordinary Shares of Rs. 10 each with the rights, privileges and conditions attaching thereto provided by the regulations of the Company for the time being with power to increase and reduce the capital of the Company and to sub divide the ordinary shares in the capital for the time being into several classes.</p>

The aforementioned notice and the statement of material facts has been dispatched to the head office of the Securities and Exchange Commission of Pakistan, through [fax or email or courier service] on the same day is was dispatched to the members.

The Directors of the Company have carried out the necessary due diligence for the purposes of this investment in TEL & SECMC and the same available with the Company for review.

The duly signed recommendations of the due diligence report will be made available for members inspection in the general meeting called for approval of the special resolution for investment in TEL& SECMC pursuant to Section 199 of the Act.